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SIPDIS

COMMERCE FOR JEFF DUTTON

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SUBJECT: MINISTER OF KNOWLEDGE ECONOMY ON G20, FTA, NUCLEAR
ENERGY, AND GREEN GROWTH

¶1. (U) This cable is sensitive but unclassified and not/not
intended for internet distribution.

¶2. (SBU) Summary: In a December 15 introductory call, the
Ambassador and the ROK's new Minister of Knowledge Economy
Choi Kyung-whan discussed renewable and sustainable energy,
the KORUS FTA, and Korea's ambitions for the development of
nuclear power and green growth. Minister Choi said he wanted
nuclear energy on the G20 agenda and observed that the KORUS
FTA seemed to lack momentum. With respect to the Memorandum
of Understanding between the Department of Commerce and the
Ministry of Knowledge Economy, Minister Choi suggested he was
ready to travel to Washington in the first half of 2010 for
the first Consultative Committee meeting with the Department
of Commerce. End Summary.

NUCLEAR ENERGY AS A G20 AGENDA ITEM

¶3. (SBU) Choi said that by November 2010, most of the
financial crisis issues would be concluded and the G20 would
be able to turn to other matters, such as renewable and
sustainable energy. In particular, nuclear power would be a
strong candidate for the agenda. Nuclear power is the only
realistic alternative to fossil fuels, he argued, and would
be critical to the reduction of carbon dioxide emissions. A
G20 consensus on this issue would be important for overcoming
the continuing NGO resistance to nuclear power. Choi said
the Presidential Committee on the G20 was presently working
on staffing and looking ahead to the agenda of the Summit and
planning a "Business Summit" and other G20-related events.

MOMENTUM NEEDED FOR FTA

¶4. (SBU) The Minister observed that the KORUS FTA needs
momentum both in the United States and Korea. The trade
balance, he offered, should not be an issue because Korea
runs a big deficit in services and that overall trade is
quite balanced. On the Korean side, Choi said certain
anti-FTA groups, composed of farmers and some NGOs, remain
quite strong. The Ambassador remarked the visits to Seoul of
President Obama last month and Assistant U.S. Trade
Representative Wendy Cutler last week were helpful with
respect to the KORUS FTA. The Ambassador said the upcoming
G20 and the 60th Anniversary of the Korean War present
opportunities to highlight the success and importance of the
relationship.

Nuclear Development and Green Growth

¶5. (SBU) Choi said the ROKG is currently constructing ten
nuclear power plants and plans to build six more by 2020.
The ROK currently depends on nuclear energy for 40 percent of

its electric power needs and plans to increase this figure to over 50 percent by 2020. Choi mentioned the recent sale to Jordan of a "small, experimental" nuclear plant, and discussed aspirations to sell plants to Turkey and the UAE. Choi said the ROKG was competing with France on these contracts and noted concerns regarding the international political impact. In response to Choi's query about U.S. views on the ROKG's efforts, the Ambassador emphasized the importance of continuing our close bilateral discussions in this area.

¶6. (SBU) Choi also described with enthusiasm a smartgrid pilot project which will soon be launched in a community of 6,000 persons in northeastern Jeju Island. Pursuant to an agreement scheduled to be signed December 15, the private sector, including KT, SK and LG, will provide two-thirds of the financing. Once in place, the grid will deliver electricity to consumers using digital technology to save energy and reduce costs. The community would also serve as "the world's largest experimental site" for testing green growth technologies, such as electric cars, plug-in stations, and wind power. Following an expression of interest from the Governor of Illinois, Jeju is exploring a possible Memorandum of Understanding with the State of Illinois to establish terms of future cooperation.

Department of Commerce Consultations

¶7. (SBU) Raising the June 2010 Memorandum of Understanding with the Department of Commerce, Choi said he would be interested in having the first Consultative Committee meeting when he visits Washington next year. He was optimistic the

Committee would be a useful forum for issues surrounding trade and investment, intellectual property, standards, and renewable energy. Dates for the Minister's travel have yet to be determined, but would likely be in April or May.

Biographic Note

¶8. (SBU) Choi, who is comfortable conversing in English, studied economics at Yonsei University and obtained his Ph.D in economics at the University of Wisconsin-Madison. He served as head of the Grand National Party's policy coordination committee in 2008 and maintains his seat in the National Assembly as a member of the Finance and Economy Committee and the Special Committee on Budget and Accounts. Before his election to the National Assembly, Choi served as Deputy Editor-in-Chief of the Korea Economic Daily.

STEPHENS